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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION
DOCKET CONTROL

**IN THE MATTER OF RESOURCE
PLANNING AND PROCUREMENT IN
2015 AND 2016**

DOCKET NO. E-00000V-15-0094

**NOTICE OF INTENT TO BE A
PARTY AND INITIAL COMMENTS**

Arizonans for Electric Choice and Competition (“AECC”) hereby submits this Notice of Intent to Be a Party to the above-captioned proceedings, along with formal Initial Comments concerning the Integrated Resource Planning (“IRP”) process.

INITIAL COMMENTS

AECC requests that the Arizona Corporation Commission (“Commission”) require the consideration of alternative generation supply by customers as a resource alternative in IRP planning. AECC has long advocated for implementation of direct access service in Arizona, which would give all customers the ability to procure their generation service in the competitive market, as intended by the Arizona Legislature. While AECC believes that direct access is the preferred path for allowing Arizona customers to take advantage of the benefits of competition, a buy-through program, such as the APS AG-1 program, represents a compromise that provides customers the opportunity to engage in competitively-procured generation supply through market transactions and potentially reduce their energy costs, consistent with state policy, but without implementing full direct access service. Successful implementation of a buy-through program would

1 enhance the economic development climate of the state while allowing its regulated
2 utilities to avoid the acquisition of new generation resources to meet retail load growth or
3 to replace retiring generation assets, as well as avoiding the associated costs that otherwise
4 would increase all customers' rates.

5 AECC believes the IRP process should specifically consider the role that
6 alternative supply programs could play in mitigating the need for additional supply-side
7 resources. To the extent that customers are willing to make long-term commitments to
8 acquire their generation requirements from third parties it would obviate the need for all
9 or part of the additional supply-side resources that Arizona utilities are seeking in coming
10 years. Candidly, AECC members are frustrated by the opposition of Arizona utilities to
11 the implementation or continuation of buy-through programs at the same time that the
12 utilities are seeking to add new resources at customers' expense. The IRP process should
13 explicitly take account of the willingness of customers to make long-term commitments to
14 acquire alternatively-supplied generation as an integral component of the resource
15 planning process. AECC strongly encourages the Commission to require the utilities to
16 consider meeting as much of their future need for generation capacity as possible by
17 retaining and expanding opportunities for customers to participate in buy-through
18 programs.

19
20 RESPECTFULLY SUBMITTED this 14th day of July, 2016.

21 FENNEMORE CRAIG, P.C.

22
23 By: 

24 Patrick J. Black
25 C. Webb Crockett
26 Attorneys for AECC

1 **ORIGINAL** and 13 copies filed
2 this 14th day of July, 2016 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
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7 **COPY** of the foregoing hand-delivered/mailed
8 this 14th day of July, 2016 to

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By: Maria San Jose